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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 6, 2012

CERTIFIED RETURN RECEIPT

7011 0110 0001 3568 3421

David Penney
Earth's Partners
P.O. Box 312
Beaver, Utah 84713

Subject: Review of Reclamation Surety, Earth's Partners Company, Rapunzel Project, S/023/083, Juab County, Utah

Dear Mr. Penney:

The last surety estimate for the Rapunzel mine was done in 2003 and escalated to August 17, 2007 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$1,000.00 to either \$12,700.00 for a three-year escalation or \$13,000.00 for a five-year escalation. The average reclamation costs are outlined below:

Project Size (Acres)	Surety 3 & 5 year escalation 2012	Comments
1 or less acres	\$7,900 (3-year escalation) \$8,100 (5-year escalation)	Includes mob/demob
2 nd acre	\$4,800/ acre (3-year escalation) \$4,900/acre (5-year escalation)	
3 year escalation	\$7,900 + \$4,800	\$12,700.00
5 year escalation	\$8,100 + \$4,900	\$13,000.00

Please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at bondcoordinator@utah.gov for information about submitting the additional bond. Your current bond is in the form of state wide bond with the BLM. You may, increase the amount in the bond with the BLM or provide a separate bond for that permit. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

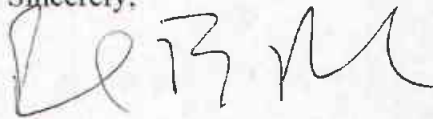


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David Penney
S/023/0083
June 6, 2012

Please provide the additional surety or perform the reclamation no later than August 31, 2012.

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at 801-538-5261 or Wayne Western at 801-538-5263.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. B. Baker', written over a light blue horizontal line.

Paul B. Baker
Mining Program Manager

PBB:whw:pb
cc: JMansfie@blm.gov
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